

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Roger A. Baker,
Petitioner-Appellant.

v.

Linn County Board of Review,
Respondent-Appellee.

ORDER

Docket No. 11-57-0058
Parcel No. 12363-52008-00000

On November 10, 2011, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) and Iowa Administrative Code rules 701-71.21(1) et al. Petitioner-Appellant Roger A. Baker (Baker) requested his appeal be considered without a hearing and submitted evidence in support of his petition. He was self-represented. County Attorney Jerry Vander Sanden is the legal representative for the Board of Review, and Assessor Julie M. Kester submitted evidence in support of the Board of Review's position. The Appeal Board now having examined the entire record and being fully advised, finds:

Findings of Fact

Baker, owner of property located at 4615 Blarney Drive, Cedar Rapids, Iowa, appeals from the Linn County Board of Review decision reassessing his property. According to the property record¹ card, the subject property consists of a two-story, frame dwelling with 405 linear foot of brick veneer having 4957 total square feet of living area, and a full walk-out basement with 1805 square feet of living-quarter finish. Additional amenities include a 256 square-foot, 101 square-foot, 75 square-foot, and 126 square-foot open porches, and a 1046 square-foot, three-car, attached garage. The dwelling

¹ We note the square footage on the property record card is different from that in an appraisal submitted by Baker. Because Baker's appraiser measured the property, we rely on the square footage figures in his report.

was built in 1998 and has a superior quality grade (1-10)². It is situated on 1.570 acres in the Aspen Creek subdivision.

The real estate was classified as residential on the initial assessment of January 1, 2011, and valued at \$764,414, representing \$55,740 in land value and \$708,674 in dwelling value.

Baker protested to the Board of Review on the ground the property is assessed for more than authorized by law under Iowa Code section 441.37(1)(b). We also note Baker marked the grounds of error and downward change in value, but both comments indicate he was essentially claiming over-assessment throughout the petition. The Board of Review denied the protest.

Baker then filed his appeal with this Board on the same ground. He seeks an assessed value of \$610,000, allocated \$45,740 to land value and \$564,260 in dwelling value.

Baker submitted an appraisal that he believes demonstrates the fair market value of his property as of January 1, 2011. The appraisal was completed for ad valorem valuation by Craig Gossard of Gossard Appraisal, Inc. in Cedar Rapids. Gossard developed the sales approach to value using five 2010 sales in Robins and Cedar Rapids. Gossard describes the Aspen Creek subdivision as having primarily upper-priced, single-family homes in rolling, wooded terrain. He notes the subject property is a one and one-half story and has three gas/AC units, sprinkler, security, sound, and central vacuum systems, and was in good condition. In his opinion, the marketplace is over-supplied in this price range. Gossard reported 3688 square feet of basement, 2071 square feet of basement finish, and 4991 square feet of above-grade living area. These measurements differ somewhat from the property record card listing 3872 square feet of basement, 1805 square feet of basement finish, and 4957 square feet of above-grade living area. Because Gossard inspected and measured the subject property and compared his results to the blueprints, we rely on his measurements for calculation of the values per-square foot reported below.

² The Board of Review sales comparable grid reports a 1-5 quality grade, also considered superior quality.

Sale prices ranged from \$551,000 to \$680,000 with a median of \$587,000; or \$166.71 per-square foot to \$169.45 per-square foot with a median of \$167.22 per-square foot. Adjusted sale prices range from \$581,900 to \$697,400 with a median of \$617,400; or \$171.23 to \$179.92 per-square foot with a median of \$176.60 per-square foot. The subject property is assessed at \$154.21 per-square foot based on the assessor's measurements and \$153.15 per-square foot based on the appraisal measurements, both less than the lower end of the adjusted sale price range. The comparable properties were all two-story dwellings, as compared to Gossard identifying the subject as a one and one-half, story home which are typically more expensive to construct and have greater market appeal due to first floor master bedrooms. All sales have "luxury kitchens" and are similar in quality of construction to the subject. Adjustments were made for gross living area/room count, age, site, basement finish, garage stalls, and other amenities. Gossard's final opinion of value for the subject property was \$610,000.

Linn County Assessor Julie M. Kester provided a spreadsheet and parcel summary sheets in support of the Board of Review decision. The spreadsheet indicated a median assessed value of \$150.61 per square foot for six homes selected as comparable to Baker's dwelling on sites ranging from 0.56 acres to 2.6 acres. The six comparables are two-story dwellings ranging from 2771 to 4933 square feet of living area. The improvements were built between 1994 and 2004. Similar to the Gossard appraisal, the comparables are smaller than the subject property. The sales occurred in 2009 and 2010. Sales prices ranged from \$355,000 to \$770,000 (rounded), or \$128.11 to \$172.43 per square foot with a median of \$161.66 per square foot. Basement finish ranged from 1000 square feet to 1635 square feet. The dwellings have quality grades ranging from 2-10 to 1+10. The assessed values of these properties ranged from \$128.35 to \$181.93 per square foot with a median of \$150.61 per square foot. The subject property has an assessed value of \$154.21 per square foot, which is within the value range and slightly above the median.

Kester points out that the first comparable in Gossard's appraisal was a sale by a relocation company which she considered abnormal for State equalization purposes. In her opinion, this disqualifies it from use as a comparable property in an appraisal analysis. However, the State Board of Tax Review has ruled that two sales of the same property within a one-year period, is not automatically considered abnormal. *Clinton County Protest of 1977 Equalization Order*, Docket No. 180, p. 5 (la. State Bd. of Tax Review, Feb. 15, 1978). Gossard relied heavily on this sale, and the second sale, because they were located in suburban settings similar to the subject property and were the most recent sales. This property sold to the relocation company in May 2010 for \$567,500 and sold by the relocation company in July 2010 for \$551,000 which is the sale used in the appraisal. Gossard failed to identify this comparable as a relocation sale which could distort the sale value, discuss whether an adjustment was needed to remove any distorting factor, or make an adjustment. We note that the property had the longest marketing time of all the sales.

Kester also was critical of Gossard's site adjustments which inconsistently adjusted slightly larger acreages but made no adjustment for smaller acreages. We find merit in this criticism.

Kester reports a county-wide sales/assessment ratio of 95.8% for residential properties indicating under-assessment generally. We do not find this data relevant since it is not specific to the subject property and we note the Board of Review sales comparables in the subdivision had a higher median sales/assessment ratio of 100.26%³

Due to the inconsistencies and deficiencies, the Gossard appraisal is not the most credible evidence of the subject property's indicated value for January 1, 2011. Reviewing all the evidence, we find by a preponderance of the evidence that the sales analysis offered by the Board of Review indicates the property is over-assessed.

Conclusion of Law

³ We note two of the comparables in this grid with ratios less than 100% were the two also used in the Gossard appraisal.

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A (2011). This Board is an agency and the provisions of the Administrative Procedure Act apply to it. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review related to the liability of the property to assessment or the assessed amount. § 441.37A(3)(a). The Appeal Board considers only those grounds presented to or considered by the Board of Review. § 441.37A(1)(b). But new or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption that the assessed value is correct. § 441.37A(3)(a).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. *Id.* "Market value" essentially is defined as the value established in an arm's-length sale of the property. § 441.21(1)(b). Sale prices of the property or comparable properties in normal transactions are also to be considered in arriving at market value. *Id.* If sales are not available, "other factors" may be considered in arriving at market value. § 441.21(2). The assessed value of the property "shall be one hundred percent of its actual value." § 441.21(1)(a). The Appeal Board considers all relevant evidence, regardless of what party introduces that evidence. *See, Hy-Vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005) (stating that support for an agency finding can be gathered from any part of the evidence).

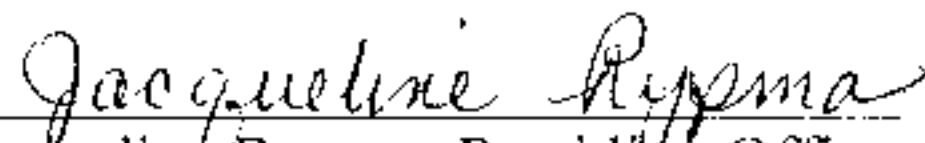
In an appeal that alleges the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(b), there must be evidence that the assessment is excessive and the correct value of the property. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995).


The sales comparable analysis offered by the Board of Review shows the assessment is excessive and we find, by a preponderance of the evidence, Baker's property is assessed for more than authorized by law.

The evidence does support Baker's claim of over-assessment in the January 1, 2011, assessment. Therefore, we modify the property assessment as determined by the Board of Review. The Appeal Board determines that the property's assessed value as of January 1, 2011, is \$749,414, representing \$55,740 in land value and \$693,674 in dwelling value.

THE APPEAL BOARD ORDERS that the January 1, 2011, assessment as determined by the Linn County Board of Review is modified as set forth herein.

Dated this 23 day of February 2012.


Jacqueline Rypma, Presiding Officer


Richard Stradley, Board Chair


Karen Oberman, Board Member

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Certificate of Service	
The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on <u>2-23</u> , 201 <u>2</u> .	
By:	<input checked="" type="checkbox"/> U.S. Mail <input type="checkbox"/> FAX
	<input type="checkbox"/> Hand Delivered <input type="checkbox"/> Overnight Courier
Signature	